

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 7/31/2006

	As of <u>7-31-06</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,554,166,232	\$ 1,568,651,856
INTERNATIONAL EQUITIES	734,947,684	728,736,085
DOMESTIC FIXED INCOME	1,824,284,928	1,827,967,399
INTERNATIONAL FIXED INCOME	176,960,549	175,048,602
REAL ESTATE POOL	372,100,146	361,756,992
VENTURE CAPITAL	143,448,705	137,923,531
INVESTED CASH (NOTE 1)	<u>86,715,925</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 4,892,624,169	 4,886,413,708
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	22,339,491	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	34,641	7,715,230
MISCELLANEOUS RECEIVABLES	<u>3,861</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 22,377,993	 31,621,876
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,957,886	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	20,395	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u><u>\$ 4,925,016,172</u></u>	 <u><u>\$ 4,929,019,197</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	4,330,572	4,369,151
ACCRUED EXPENSES	294,566	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>20,399</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,651,199	 4,988,075
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	27,340,000	390,918,734
CASH OUT DURING YEAR (NOTE 7)	42,970,140	319,323,971
NET INCREASE (DECREASE)	<u>11,963,991</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,920,364,973</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 4,925,016,172</u></u>	 <u><u>\$ 4,929,019,197</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 7/31/2006

	Month Ended <u>7-31-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 12,664,731	\$ 12,664,731
SECURITIES LENDING INCOME	<u>2,606,049</u>	<u>2,606,049</u>
	15,270,780	15,270,780
 GAIN ON SALE OF INVESTMENTS	 27,415,034	 27,415,034
LOSS ON SALE OF INVESTMENTS	<u>26,784,813</u>	<u>26,784,813</u>
 NET GAINS (LOSSES) INVESTMENTS	 630,221	 630,221
 INVESTMENT EXPENSES	 347,418	 347,418
SECURITIES LENDING EXPENSES	<u>2,493,360</u>	<u>2,493,360</u>
 NET INVESTMENT INCOME	 13,060,223	 13,060,223
 NET APPREC (DEPREC) MARKET VALUE	 5,968,496	 5,968,496
MISCELLANEOUS INCOME/(EXPENSE)	<u>1,548,595</u>	<u>1,548,595</u>
 TOTAL INVESTMENT INCOME	 20,577,314	 20,577,314
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 109,423	 109,423
PURCHASED SERVICE CREDIT (NOTE 9)	196,750	196,750
PENALTY & INTEREST (NOTE 10)	<u>452</u>	<u>452</u>
 TOTAL ADDITIONS	 <u>20,883,939</u>	 <u>20,883,939</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,247,592	8,247,592
PARTIAL LUMP SUM BENEFITS PAID	378,396	378,396
REFUNDS TO MEMBER (NOTE 12)	<u>194,887</u>	<u>194,887</u>
 TOTAL BENEFITS PAID	 8,820,875	 8,820,875
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	82,114	82,114
OPERATING EXPENSES	16,959	16,959
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>99,073</u>	 <u>99,073</u>
 TOTAL DEDUCTIONS	 <u>8,919,948</u>	 <u>8,919,948</u>
 NET INCREASE (DECREASE)	 <u><u>\$ 11,963,991</u></u>	 <u><u>\$ 11,963,991</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
July 31, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
7/31/2006

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.